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Executive Board of the United Nations Entity for Gender Equality and the Empowerment of Women

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Institutional budget estimates for the United Nations Entity for Gender Equality and the Empowerment of Women for the biennium 2012-2013

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the institutional budget estimates for the biennium 2012-2013 (UNW/2011/11) for the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), which proposes a biennial institutional budget of $140.8 million (gross). During its consideration of the proposed institutional budget, the Advisory Committee met with the Under-Secretary-General, the Assistant Secretary-General and other representatives, who provided additional information and clarification.

2. The Advisory Committee recalls that UN-Women has two funding sources: (a) the regular budget, to service the normative intergovernmental processes; and (b) voluntary contributions, to service the operational intergovernmental processes and operational activities. In section 17 of its first report on the proposed programme budget for the biennium 2012-2013 (A/66/7), the Committee recommended approval of the post and non-post resources for UN-Women within the regular programme budget for the biennium 2012-2013, amounting to $14,836,900 (before recosting). Voluntary contributions are projected at $700 million, reduced from earlier projections of $900 million, owing to prevailing global economic conditions.

* UNW/2011/L.3.

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II. Proposed institutional budget

3. The Advisory Committee recalls that it considered the UN-Women 2011 transitional institutional budget and presented its report, contained in document UNW/2011/4. The UN-Women Executive Board took note of the Committee's report and approved the amount of $51.5 million (gross) for the 2011 institutional budget (decision 2011/1). The UN-Women institutional budget estimates for 2012-2013 therefore constitute the first biennial institutional budget proposal of UN-Women. **The Advisory Committee recognizes that the 2012-2013 institutional budget, being the first proposed biennial budget, serves as a foundation for successive UN-Women budgets.**

4. According to the proposed budget, UN-Women has applied the harmonized results-based and cost classification methodology used by the United Nations Development Programme (UNDP), the United Nations Children's Fund and the United Nations Population Fund, with one difference relating to the particular mandate of UN-Women to lead, coordinate and promote accountability of the work of the United Nations system on gender equality and the empowerment of women. The Advisory Committee notes that leadership posts in the field are therefore attributed partially to coordination rather than fully to management. Upon enquiry, the Committee was informed that the cost of operations staff in regional centres, subregional offices and country offices were allocated entirely to management activities. However, 50 per cent of the time of directors of regional centres, subregional offices and country offices was attributed to management and the remaining 50 per cent to United Nations coordination, as a result of that mandate. UN-Women indicates that the application of the harmonized budget methodology and cost classifications will require the amendment of the UN-Women financial regulations and rules. The Committee previously considered and submitted its report on the proposed financial rules and regulations for UN-Women (UNW/2011/7). It is stated that proposals for amendment will be submitted to the Executive Board for consideration at its 2012 annual session.

5. The Advisory Committee notes that for its 2012-2013 institutional budget, UN-Women credits income of $8.4 million, leading to a net amount of $132.3 million from the gross amount of $140.8 million (see UNW/2011/11, resources plan). Upon enquiry, the Committee was informed that the income of $8.4 million represented the support costs derived from projected earmarked contributions of $350 million. The Committee was further informed that UN-Women applied a support cost rate of 7 per cent, the same as that used by UNDP. Given the projected earmarked contributions of $350 million, this would translate into $22.8 million in income from support costs. The Committee was informed that only $8.4 million had been credited in the proposed institutional budget out of caution and prudence, since the actual level of extrabudgetary funding depended on contributions received, programme delivery and risk management.

6. **While the Advisory Committee has no objection to the use of a "net" appropriation, it nonetheless notes that the majority of anticipated income has not been applied to offset the budget. The Committee is of the opinion that further explanation should be provided directly to the Executive Board as to why a larger contribution from extrabudgetary income should not be made towards the cost of the institutional budget. Should the balance of income be received, the Committee requests that clarification also be provided to the**

Board on how that income will be utilized and what role, if any, the Board will have in that process.

7. **The Advisory Committee also considers that the full support costs should have been clearly set out in the proposed budget and recommends that they be presented in future budgets with greater clarity and transparency.**

8. UN-Women states that the proposed institutional budget represents 19.1 per cent of its total resources, with development activity utilizing the largest share of the resources. The Advisory Committee recalls that the 2011 UN-Women institutional budget proposal provided assurances that the institutional budget would never exceed 16 per cent of total secured resources at any one time (see UNW/2011/3, para. 7) and asserted that the application of UNDP classification would have resulted in a ratio of management to total use of resources of 10 per cent (see UNW/2011/3, para. 35). The Committee also recalls that it questioned the approach of basing the budget on resource availability through the application of a ratio, rather than on demonstrable needs (see UNW/2011/4, para. 11). Nonetheless, the Committee encourages UN-Women to ensure that future institutional budgets do not exceed 16 per cent of total resources.

III. Field capacity

9. In June 2011, the Executive Board endorsed the UN-Women strategic plan 2011-2013 and its programmatic priorities: (a) to increase women's leadership and participation; (b) to increase women's access to economic empowerment and opportunities; (c) to prevent violence against women and girls; (d) to increase women's leadership in peace and security and humanitarian response; (e) to strengthen the responsiveness of plans and budgets to gender equality; and (f) to provide support for a comprehensive set of global norms, policies and standards on gender equality and women's empowerment.

10. Following a field capacity assessment in early 2011, which examined services at the country level to ensure delivery of better results, a structure for base staffing capacity for country offices was developed. The proposed structure comprises one international representative (P-5 or D-1), one programme officer, one national operations officer, one national administrative assistant and possibly a driver/clerk. In order to implement the strategic priorities and the results of the field capacity assessment, UN-Women also proposes an increase of 30 per cent over the biennialized 2011 institutional budget for strengthening country-level engagement and enhancing the efficiency and effectiveness of programme delivery, management and support functions. Consequently, the proposed institutional budget provides for:

(a) The phased development of an additional 21 country presences, 11 in 2012 and 10 in 2013, with an initial capacity of up to three posts in each;

(b) The strengthening of capacity in 17 existing country presences with the base capacity of 4-5 posts recommended by the field capacity assessment;

(c) The establishment of a regional centre for Europe and Central Asia.

11. According to the proposed budget, UN-Women will have 55 country presences by the end of the biennium 2012-2013. The Advisory Committee notes that the 55 country presences comprise: (a) 21 proposed additional country presences; (b) a new

regional centre for Europe and Central Asia; (c) 17 existing country presences; (d) 5 existing regional centres; and (e) 11 existing subregional offices. Upon enquiry, the Committee was informed of the following criteria for determining country presences: (a) there is demand from the national Government and the United Nations country team; (b) an analysis of key issues, such as the situation of women and girls, inequality, security and development in the country, supports the need for a country presence; and (c) the country presence would not duplicate other efforts on the ground. The Committee was also informed that there was no uniform model applied and that the composition of offices varied depending on the complexity of the situation or programme.

12. Building on the field capacity assessment, UN-Women plans to launch an organizational efficiency initiative to review human resources and resource consolidation, with a view to improving business and operational processes. A regional architecture review will also be carried out to identify efficiencies in services at the headquarters, country and regional levels. The Advisory Committee notes that the outcome of those initiatives may have an impact on the institutional budget of UN-Women. **The Committee looks forward to seeing the results of those initiatives and their impact on the 2014-2015 budget, if any.**

IV. Post resources

13. For 2012-2013, 139 new posts are being proposed: 102 in the field and 37 at Headquarters. Of the 102 field posts being proposed, 19 represent a conversion of funding source from the programme to the institutional budget. One new D-1 level post is proposed to head the regional centre for Europe and Central Asia, while a P-5 post would be reclassified to the D-1 level to head the South Pacific office, based in Fiji. Of the 37 proposed Headquarters posts, one new D-1 level post is being proposed to head the new Leadership and Governance Section. This new section will focus on advancing women's political leadership and participation and promoting gender rights as human rights.

14. The Advisory Committee noted in its previous report that proposals for posts in the UN-Women institutional budget were not sufficiently based on workload indicators and requested that future submissions include justifications (see UNW/2011/4, para. 19). The Committee notes that the proposed institutional budget still does not contain justifications for each new post being proposed. **The Committee reiterates its request that future budgetary submissions contain full justification for the posts requested.**

15. With respect to the positions from the four former separate entities, UN-Women reports that 93 per cent were aligned with UN-Women. Upon enquiry, the Advisory Committee was informed that the remaining 7 per cent of positions were unaligned, as they constituted a significant change in functions or were reclassified to a higher level. Those positions have been included in the competitive selection process.

V. Non-post resources

16. Non-post resources of $36 million are also being proposed for 2012-2013, including for rental of office space, reimbursement to UNDP for support services, information technology improvements, travel, security and implementation of the International Public Sector Accounting Standards. The proposed budget reflects decreases expected from lower unit costs of office space and cuts in general operating costs.

VI. Conclusion

17. The Advisory Committee notes that in the draft decision of the UN-Women Executive Board on the proposed institutional budget for 2012-2013, no reference is made to the report of the Committee (see UNW/2011/11, para. 78), contrary to the previous practice of the Board as evidenced by its decision on the UN-Women 2011 institutional budget (decision 2011/1), in which it took note of the report of the Committee. **The Committee trusts that the Executive Board will take the present report into consideration in its deliberations on the proposed institutional budget for 2012-2013.**

18. **The Advisory Committee recognizes that UN-Women has formulated a proposal for its first biennial institutional budget that is more realistic than previous projections, taking into account the difficult economic circumstances and the potential impact on the level of voluntary contributions. The Committee recommends approval of the proposed UN-Women institutional budget for the biennium 2012-2013.**